

November 10, 2004

TO: City of Lincoln Personnel Board Members

SUBJECT: Personnel Board Meeting  
Thursday, November 18, 2004  
1:30 p.m., Council Chambers  
County-City Building

## **A G E N D A**

ITEM 1: Request to amend/create the following Sections of the Lincoln Municipal Code:

- 2.76.155 Compensation Plan; Longevity Pay.
- 2.76.160 Compensation Plan; Variable Merit Pay Plan.
- 2.76.395 Vacation Leave with Pay.
- 2.78.010 Management Compensation Plan Established.
- 2.78.020 Management Compensation Plan; Annual Leave.
- 2.78.025 Compensation Plan; Variable Merit Pay Plan – DSS & M Pay Ranges.
- 2.78.030 Management Compensation Plan; Sick Leave.
  
- Pursuant to Section 2.76.120 of the Lincoln Municipal Code:  
Request for an ordinance authorizing the adoption of a broad banded pay plan for pay ranges prefixed by the letter “M”.

ITEM 2: Request to amend Section 2.76.400 of the Lincoln Municipal Code — Leaves of Absence without Pay.

ITEM 3: Miscellaneous Discussion.

PC: Mayor Seng  
Connor Reuter  
Joan Ross, City Clerk  
Mark Munger, IAFF  
Gary Meier, LCEA  
Gary Young  
Jeff Stump, NAGE

Jane Burke  
Les Helms, ATU  
Ed Sheridan, LPU  
Dalton Tietjen  
Directors

**2.76.155 Compensation Plan; Longevity Pay.**

(a) Employees with a pay range prefixed by the letter "E" ~~or "M"~~ shall annually receive longevity pay based upon the total length of service with the city. Such pay shall be effective beginning with the first full pay period following completion of the specified years of service. Payment shall be made on a prorated basis on each regular payday. The longevity schedule shall be as follows:

<u>Completed Years of Service</u>	<u>Annual Pay</u>
5 years	\$ 266.00
10 years	\$ 464.00
15 years	\$ 734.00
20 years	\$ 927.00
25 years	\$1,191.00

Employees with a pay range prefixed by the letter "E" ~~or "M"~~, hired August 29, 1991 or after, shall annually receive longevity pay based upon total continuous length of service with the city. For the purpose of longevity pay, any employee who terminates employment and who is later reemployed shall be treated as a new employee.

(b) Employees with a pay range prefixed by the letter "X" or "N" shall annually receive longevity pay based upon the total length of service with the city. Such pay shall be effective beginning with the first full pay period following completion of the specified years of service. Payment shall be made on a prorated basis on each regular pay day. Employees with a pay range prefixed by "X" or "N" who are scheduled to work less than forty but at least twenty hours per week shall receive longevity pay based on the number of hours worked each pay period. The longevity schedule shall be as follows:

<u>Completed Years of Service</u>	<u>Annual Pay</u>
5 years	\$215.00
10 years	\$405.00
15 years	\$612.00
20 years	\$816.00
25 years	\$1,002.00

Employees with a pay range prefixed by the letter "X" or "N", hired August 29, 1991 or after, shall annually receive longevity pay based upon total continuous length of service with the city. For the purpose of longevity pay, any employee who terminates employment and who is later reemployed shall be treated as a new employee.

## **2.76.160 Compensation Plan; Variable Merit Pay Plan.**

Notwithstanding any other section of the Lincoln Municipal Code to the contrary, the compensation plan for employees in classifications with pay ranges prefixed by the letters "A", "C", and "E" and "M" shall provide for the awarding of merit increases within established pay ranges based upon the employee's level of performance and shall be entitled "the variable merit pay plan." The specific method of implementing and administering this plan shall be set out in an executive order of the Mayor which shall, among other things, provide for:

(a) Variable merit increases of between zero and six percent. Merit increases shall be effective beginning the first full pay period following the established eligibility date;

(b) A four and one-half percent increase upon successful completion of the original probationary period;

(c) Temporary exceptional service awards not to exceed four percent of the employee's current annualized salary to be paid in two, four, or six pay periods;

Such increases shall be paid only on recommendation of the department head supported by a convincing showing in writing of exceptional service or unusual circumstances as related to specific criteria to be recommended by each department and approved by the Personnel Director;

The Personnel Director shall annually send a written report to the Mayor listing employees approved for exceptional service pay increases.

(d) The Personnel Director, with the approval of the Mayor, may grant permanent salary increases within the employee's pay range that are consistent with the spirit and purpose of the merit system provisions of the City Charter if a department head presents written evidence of unusual circumstances. The effective date of any increase granted in accordance with this subparagraph (d) shall be used to establish a new eligibility date, which shall be one year from the effective date of such increase. This subsection applies only to pay ranges prefixed by the letter "E" or "M".

(e) The eligibility date for evaluating performance of employees will be determined by completion of the original probationary period, and the effective date of promotion, demotion, reallocation, or layoff;

~~Employees in pay ranges prefixed by the letter "M" may have their eligibility dates adjusted when necessary or appropriate for proper operation of any goal-oriented employee evaluation program implemented by any department. The department head shall forward a written request for such an adjustment to the Personnel Director who may, at his discretion, approve the request. The eligibility date of an employee shall not be adjusted under this subsection more often than once in any twelve-month period;~~

(f) Establishment of a committee to review and approve all merit increases in excess of five percent.

**2.76.395      Vacation Leave with Pay.**

(a) Amount. Each employee with a pay range prefixed by "E" shall earn vacation leave credit annually as follows:

After original appointment -- at the factored hourly equivalent of 88 hours per year.

After five years of service -- at the factored hourly equivalent of 112 hours per year.

After seven years and six months of service -- at the factored hourly equivalent of 120 hours per year.

After ten years of service -- at the factored hourly equivalent of 128 hours per year.

After twelve years and six months of service -- at the factored hourly equivalent of 136 hours per year.

After fifteen years of service -- at the factored hourly equivalent of 160 hours per year.

After twenty years of service -- at the factored hourly equivalent of 184 hours per year.

After twenty-five years of service -- at the factored hourly equivalent of 192 hours per year.

~~Each employee with a pay range prefixed by "M" shall earn vacation leave credit annually as follows:~~

~~After original appointment -- at the factored hourly equivalent of 120 hours per year, or 180 hours per year for those employees who work a fifty-six hour work week.~~

~~After five years of service -- at the factored hourly equivalent of 160 hours per year, or 240 hours for those employees who work a fifty-six hour work week.~~

~~After twenty years of service -- at the factored hourly equivalent of 200 hours per year, or 300 hours for those employees who work a fifty-six hour work week.~~

Each employee with a pay range prefixed by "N" or "X" shall earn vacation leave credit annually as follows:

After original appointment -- at the factored hourly equivalent of 80 hours per year.

After five years of service -- at the factored hourly equivalent of 112 hours per year.

After ten years of service -- at the factored hourly equivalent of 128 hours per year.

After fifteen years of service -- at the factored hourly equivalent of 160 hours per year.

After twenty years of service -- at the factored hourly equivalent of 176 hours per year.

After twenty-five years of service -- at the factored hourly equivalent of 184 hours per year.

The department head may require that vacation leave be taken not less than one day at a time. Vacation leave credit shall not accrue during a leave of absence without pay.

(b) Vacation leave shall not be granted during the first six months of employment ~~with the exception of employees with a pay range prefixed by "M"~~. Each department head shall keep records on vacation leave credit and use and shall schedule vacation leave with particular regard to the seniority of employees, to accord with operating requirements, and insofar as possible, with requests of employees.

(c) Accumulated leave. An employee may accumulate vacation leave to a maximum of forty hours over and above the employee's maximum annual earning rate ~~or sixty hours over and above the employee's maximum annual earning rate for an employee with a pay range prefixed by the letter "M" who works a fifty-six hour work week~~.

(d) Vacation payout. Any employee who separates from the city service shall be compensated for vacation leave accrued and accumulated to the date of separation. The vacation payout shall occur with the paycheck immediately following separation. In the event the separation is the result of retirement, as defined by the applicable retirement plan, an employee may elect to utilize vacation until all accrued vacation has been exhausted.

(e) Waiving vacation. For the purpose of maintaining necessary personnel on duty to accomplish city work, a department head, with approval of the Mayor, may waive accumulated vacation leave in excess of eighty hours ~~(120 hours for an employee with a pay range prefixed by the letter "M" who works a fifty-six hour work week)~~. Waived vacation will be paid to the employee at the employee's usual rate of pay as of the last January 1, provided there are sufficient funds in the department's budget for salaries.

(f) Vacation Bank Payout. For employees maintaining a vacation bank, excluding employees with pay ranges prefixed by "B" or "F", an employee may request to sell all or part of their bank at the first full pay period in July each year. Such request for payment shall be made in writing and approved by the employee's department head and the Mayor, provided there are sufficient funds in the department's budget for salaries. Payment for requested hours will be paid at the employee's usual rate of pay as of the last January 1.

## **2.78.010 Management Compensation Plan Established.**

For the purpose of compensating department heads, ~~and~~ administrative assistants to elected officials and employees with a pay range prefixed by the letter "M" for professional performance in the city service, there is hereby established a management compensation plan to be administered by the Mayor and department heads. The Personnel Director shall be responsible for recommending a pay range within which all department heads shall be assigned a rate of pay, ~~and~~ a pay range within which all administrative assistants to elected officials shall be assigned a rate of pay, and a pay range for all employees in classifications with pay ranges prefixed by the letter "M". A pay plan for employees with a pay range prefixed by the letter "M" shall be adopted in accordance with Section 2.76.120 of this code. Such recommendation shall be submitted to the City Council and the pay ranges shall become effective when adopted by the City Council by ordinance.

Once adopted, the Mayor shall assign a rate of pay within the established pay plan to each department head; and may adjust the rate of pay for department heads within the established pay range as may be warranted under the circumstances, to adequately reflect appropriate compensation for the quantity and quality of work performed by such department head. The Mayor shall also establish, by executive order, a uniform schedule of fringe benefits to be provided to department heads which benefits may include life insurance, health insurance, disability insurance, pension benefits, and such other and different benefits as the Mayor may deem appropriate.

The rate of pay and fringe benefits for an administrative assistant to an elected official shall be assigned by the elected official employing the same.

## **2.78.020 Management Compensation Plan; Annual Leave.**

(a) Effective on the first day of the second complete pay period in January of each year, each department head and each administrative assistant to an elected official shall be entitled to annual leave equivalent to 160 hours per year. Department heads and administrative assistants to elected officials may carry over unused annual leave to a maximum of forty hours, but any leave, over the maximum of forty hours, unused by the last day of the first complete pay period in January of the following year shall be forfeited. Any accumulated leave earned by a department head and unused as of January 15, 1982, shall be retained by the department head and may be used at any future time, and for any remaining upon termination of employment with the city, shall be compensated for such unused accumulated vacation leave.

Any department head or administrative assistant to an elected official entering the management compensation plan at any time after the first day of the second complete pay period in January of any year shall be entitled to and shall receive only a pro-rated portion of the otherwise authorized management leave for that year.

(b) Effective on the first day of the second complete pay period in January of each year, each employee with a pay range prefixed by the letter "M" shall be entitled to annual leave equivalent to 160 hours per year, or 240 hours for those employees who work a fifty-six hour work week.

After twenty years of service -- annual leave equivalent of 200 hours per year, or 300 hours for those employees who work a fifty-six hour work week.

Employees with a pay range prefixed by the letter "M" may carry over unused annual leave to a maximum of forty hours, or sixty hours for employees with a fifty-six hour work week, but any leave, over the maximum of forty/sixty hours, unused by the last day of the first complete pay period in January of the following year shall be forfeited. Any accumulated leave earned by an employee with a pay range prefixed by the letter "M" and unused as of January 15, 2005, shall be retained by the employee and may be used at any future time, and for any remaining upon termination of employment with the city, shall be compensated for such unused accumulated vacation leave.

Any employee with a pay range prefixed by the letter "M" and hired at any time after the first day of the second complete pay period in January of any year shall be entitled to and shall receive only a pro-rated portion of the otherwise authorized annual leave for that year.

(c) Vacation payout. Any employee who separates from the city service shall be compensated for vacation leave accrued and accumulated to the date of separation. The vacation payout shall occur with the paycheck immediately following separation. In the event the separation is the result of retirement, as defined by the applicable retirement plan, an employee may elect to utilize vacation until all accrued vacation has been exhausted.

## **2.78.025 Compensation Plan; Variable Merit Pay Plan - DSS and M Pay Ranges.**

Notwithstanding any other section of the Lincoln Municipal Code to the contrary, the compensation plan for employees in classifications with pay ranges prefixed by the letters "DSS" and "M" shall provide for the awarding of merit increases within established pay ranges based upon the employee's level of performance and shall be entitled "the variable merit pay plan." The specific method of implementing and administering this plan shall be set out in an executive order of the Mayor which shall, among other things, provide for:

(a) Variable merit increases of between zero and four percent. Merit increases shall be effective beginning the first full pay period following the established eligibility date;

(b) A four and one-half percent increase upon successful completion of the original probationary period with the exception of pay ranges prefixed by the letters "DSS";

(c) Temporary exceptional service awards not to exceed two percent of the employee's current annualized salary to be paid in two, four, or six pay periods with the exception of pay ranges prefixed by the letters "DSS";

Such increases shall be paid only on recommendation of the department head supported by a convincing showing in writing of exceptional service or unusual circumstances as related to specific criteria to be recommended by each department and approved by the Personnel Director;

The Personnel Director shall annually send a written report to the Mayor listing employees approved for exceptional service pay increases.

(d) The Personnel Director, with the approval of the Mayor, may grant permanent salary increases within the employee's pay range that are consistent with the spirit and purpose of the merit system provisions of the City Charter if a department head presents written evidence of unusual circumstances. The effective date of any increase granted in accordance with this subparagraph (d) shall be used to establish a new eligibility date, which shall be one year from the effective date of such increase. This subsection applies only to pay ranges prefixed by the letter "M".

(e) The eligibility date for evaluating performance of employees will be determined by completion of the original probationary period, and the effective date of promotion, demotion, reallocation, or layoff, or in the case of a department head or an administrative assistant to an elected official, the date of hire;

Employees in pay ranges prefixed by the letter "M" may have their eligibility dates adjusted when necessary or appropriate for proper operation of any goal-oriented employee evaluation program implemented by any department. The department head shall forward a written request for such an adjustment to the Personnel Director who may, at his discretion, approve the request. The eligibility date of an employee shall not be adjusted under this subsection more often than once in any twelve-month period;

(f) Establishment of a committee to review and approve all merit increases in excess of three percent.



**2.78.030 Management Compensation Plan; Sick Leave.**

a) Sick leave shall be paid when a department head or an administrative assistant to an elected official is unable to perform work duties due to actual personal illness, bodily injury, pregnancy, or disease, exposure to contagious disease under circumstances in which the health of other employees or the public would be endangered by attendance on duty or to keep a medical or dental appointment, and for no other reason.

b) Sick leave for employees with a pay range prefixed by the letter “M” shall be paid in accordance with the provisions of Section 2.76.380 of this code. When a department head or an administrative assistant to an elected official finds it necessary to be absent for any of the reasons specified herein, the department head or administrative assistant to an elected official shall cause the fact to be reported to the appropriate supervising elected official. Department heads or administrative assistants to elected officials shall be entitled to no payment for accumulated or unused sick leave upon retirement or death, except sick leave accrued by the department head or administrative assistant to an elected official prior to participation in the management compensation plan, shall be credited to such department head or administrative assistant to an elected official as unused sick leave, and paid in accordance with the provisions of Section 2.76.380(d) of this code.

## **2.76.400 Leaves of Absence Without Pay.**

a) Leave of absence without pay may be granted to employees, except temporary or seasonal employees, for a period not to exceed three months by a department head, except that for leaves in excess of thirty calendar days, the approval of the director must also be obtained. Leaves of absence without pay shall not be granted until all applicable leave balances have been exhausted, with the exception of leaves for military, travel or study.

A department head, with the approval of the director, may grant such employee leave of absence without pay for a period not to exceed one year for travel or study. Such leave shall be granted only when it will not result in undue prejudice to the interests of the city as an employer beyond any benefits to be realized. No leave without pay shall be granted except upon written request of the employee. No such leave shall be granted primarily in the interests of the employee except in the case of one who has shown by record of service or by other evidence to be of more than average value to the city and whose service it is desirable to retain even at such sacrifice. Failure on the part of an employee on leave to report promptly at its expiration, without good cause, shall be considered as a resignation.

b) A regular, classified employee who left or who leaves his position to accept appointment to a position with a pay range prefixed by "DSS" shall be granted a leave without pay from the classified position and shall be paid pursuant to the provisions of Chapter 2.78. At any time upon terminating the appointed position, the employee shall be allowed to return to the same or a comparable position to that which was previously held in the classified service, normally at the same rate of pay received prior to the leave of absence.